



Cost Overrun Procedures for Transportation Enhancement Projects July 2004

Cost Overruns during design (as compared to TE application estimate) State Projects

1. Project Manager will direct the project team to reduce project scope while maintaining the project's intent approved in the application.
2. Project Manager may request maximum 10% increase to Section Manager.
3. If more than 10% increase Project Manager will write cost overrun justification up to the maximum dollar amount allowed per the program. Section Manager will forward electronically to the TERC for final approval.
4. Upon approval PM returns to PRB/PPAC/State Transportation Board for cost increase approval
5. This practice will be granted once per project only.

Cost Overruns during design (as compared to TE application estimate) Local Projects

1. Project Manager will direct the project team to reduce project scope while maintaining the project's intent approved in the application.
2. Contact local sponsor requesting that they increase amount of local match to cover the increase, if not:
3. Recommend to the local sponsor to contact their MPO/COG and via email request additional funds to the ADOT TE Section Manager for approval by the TERC.
4. If not approved, rescope original application in phases and apply for another project in the upcoming round.

Cost Overruns after Bid Opening (as compared to Engineer's estimate) Local Projects

1. Per Joint Project Agreement contact local sponsor and inform them of cost overrun and ask them if they will increase the amount of local match. If not:
2. Inform the local sponsor that all bids will be rejected and the project Team will reconvene to re-scope the project.
3. TE design funds (local) will be utilized to rescope/redesign the project.
4. Following rescoping, redesigning and rebidding, if still over the Engineer's estimate:
5. Recommend to the local sponsor to contact their MPO/COG and via email

request contingency funds up to the maximum dollar amount allowed per the program to the ADOT TE Section Manager for approval by the TERC.



Cost Overruns after Bid Opening (as compared to Engineer's estimate) **State Projects**

1. Project Manager requests additional funding from the Section Manager.
2. If 20% above Engineer's estimate, Section Manager will forward electronically a request to the TERC for approval to use State TE contingency funds for the cost overrun.
3. If approved by the TERC, C&S takes the apparent low bid and project cost increase to the State Transportation Board for approval.
4. If not approved by the TERC, PM will notify C&S to reject all bids and the project Team will reconvene to re-scope the project.
5. Utilize TE design funds to rescope the project.
6. C&S re-advertises and re-bids the project.
7. Upon approval C&S takes the apparent low bid and project cost increase to the State Transportation Board for approval.